

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Rule making related to tax credits

The Economic Development Authority (IEDA) hereby amends Chapter 76, “Aggregate Tax Credit Limit for Certain Economic Development Programs,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code sections 15.106A and 15.119.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 15.119.

Purpose and Summary

2021 Iowa Acts, Senate File 619, amended Iowa Code section 15.119 relating to the tax credit allocations for certain economic development programs. The following programs were affected: the High Quality Jobs Program, the Renewable Chemical Production Tax Credit Program, the Redevelopment Tax Credit Program for Brownfields and Grayfields, and the Workforce Housing Tax Incentives Program. The amendments in this rule making strike references to specific programs and amounts of allocations. The amendments also eliminate current inconsistencies with the Iowa Code as well as avoid inconsistencies resulting from any future changes to the allocations.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on November 17, 2021, as **ARC 6047C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Authority Board on January 21, 2022.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa beyond that of the legislation it is intended to implement.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the IEDA for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s

meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on March 16, 2022.

The following rule-making actions are adopted:

ITEM 1. Amend subrule 76.4(3) as follows:

76.4(3) Reallocation of declinations. Any amount of tax credits authorized and awarded during a fiscal year for a program specified in ~~rule 261—76.5(15)~~ Iowa Code section 15.119(2) which is irrevocably declined by the awarded business on or before June 30 of the next fiscal year may be reallocated, authorized, and awarded during the fiscal year in which the declination occurs. Tax credits authorized pursuant to this subrule will not be considered for purposes of subrule 76.4(2).

ITEM 2. Rescind rule ~~261—76.5(15)~~.

ITEM 3. Renumber rule ~~261—76.6(15)~~ as ~~261—76.5(15)~~.

ITEM 4. Amend renumbered rule 261—76.5(15) as follows:

261—76.5(15) Allocating the tax credit cap.

76.5(1) Procedure for allocations. At a scheduled meeting of the board prior to the start of a fiscal year, the board will allocate a portion of the tax credits available under the cap to the applicable programs listed in ~~rule 261—76.5(15)~~. The board is not required to allocate a portion of the cap to every program listed. The board may allocate a portion of the cap to be shared by programs with a common purpose. ~~For example, the business awards made under the enterprise zone program and high quality jobs program may be allocated one amount to jointly serve both programs.~~ Throughout the fiscal year, the board may review the allocation as necessary, but shall review the allocation at least one time during the fiscal year. Based on its review, the board may make adjustments to the allocation as deemed necessary.

76.5(2) Required suballocations. Iowa Code section 15.119 requires the authority to make certain suballocations to the programs subject to the cap. In some cases, there is a minimum required suballocation and in others a maximum suballocation. The authority will make the required suballocations and count them against the maximum aggregate cap before making any discretionary allocations.

~~**76.5(3) Allocation to programs subject to the cap.** For the fiscal year beginning July 1, 2013, and for all subsequent fiscal years in which the required suballocations are not changed, the authority will allocate the maximum aggregate tax credit cap as follows:~~

~~a.—\$2 million to the credits for investments in qualifying businesses and community-based seed capital funds, unless the authority determines that the program demand is less than that amount.~~

~~b.—\$8 million to the tax credits for investments in certified innovation funds, unless the authority determines that the program demand is less than that amount.~~

~~c.—\$10 million to the redevelopment tax credit program for brownfields and grayfields, unless the authority determines that the program demand is less than that amount.~~

~~d.—To the assistive device tax credit program, an amount necessary to meet the demand for that year.~~

~~e.—To any other programs that may be made subject to the cap but which are not listed in this subrule, any amount that may be required by law or such amount as the board determines prudent given the amount of tax credits available.~~

~~f.—To the high quality jobs program and the enterprise zone program, an amount equal to the amount necessary to meet the demand for that year, provided that such amount will not exceed the remainder of the maximum aggregate tax credit limit for that year.~~

ITEM 5. Renumber rule **261—76.8(15)** as **261—76.6(15)**.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/9/22.